



Montana Environmental Trust Group LLC,
Trustee of the Montana Environmental Custodial Trust
By Greenfield Environmental Trust Group, Inc., Member
P.O. Box 1189 Helena, Montana 59624
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December 19, 2016

By Electronic Mail

For the State of Montana

Jenny Chambers/Katherine Haque-Hausrath/
Russ Rowsey
Montana Department of Environmental Quality

Harley Harris/Greg Mullen
Montana Department of Justice

For the United States

Alan Tenenbaum/Bob Brook
Environmental Enforcement Section Environment &
Natural Resources Div. U. S. Department of Justice

Steve Moores
Senior Attorney US EPA Region 8 (ENF-L)

Deb Thomas
Deputy Regional Administrator
US EPA Region 8—Montana Office

Dana Jacobsen
Department of the Interior Office of the Solicitor

Amy L. Horner
Department of the Interior Environmental
Restoration Branch Division of Parks and Wildlife
Office of the Solicitor

Robert Kirkpatrick
Deputy Director, Engineering, Fleet, Geospatial
Services & Sustainable Operations USDA Forest
Service

Subject: Third Quarter 2016 Financial Statements

As Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Montana Environmental Trust Group LLC, hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;
- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account;
- (4) The Black Pine Cleanup Account; and
- (5) The Iron Mountain Cleanup Account

The attached financial statements cover the quarter and period ending September 30, 2016 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

Montana Environmental Trust Group, LLC
Trustee of the Montana Environmental Custodial Trust
By: Greenfield Environmental Trust Group, Inc., Member



Name: Jennifer Roberts
Title: Financial Affairs Manager

Enclosure

cc: Betsy Burns—EPA-8
Cynthia Brooks—Greenfield
Joel Chavez - MDEQ
Lauri Gorton—Greenfield
Denise Martin - MDEQ
Nathan McCarthy— Wipfli
Melody McDonough - Greenfield
Justin Mosness—Wipfli
Daryl Reed - MDEQ
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Accountant's Compilation Report

To the Trustees and Beneficiaries
Montana Environmental Trust Group LLC
Trustee for the Montana Environmental Custodial Trust
Helena, MT

The Trustees are responsible for the accompanying financial statements of; the Custodial Trust Administrative Account, the East Helena Cleanup Account, the Mike Horse/Upper Blackfoot Complex Cleanup Account, the Black Pine Cleanup Account and the Iron Mountain Cleanup Account (collectively the Custodial Trust), which comprise the statements of financial position—prescribed format basis as of September 30, 2016, and the related statements of activities—prescribed format basis for the quarter and year then ended and for determining that the prescribed format basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the prescribed format basis of accounting in accordance with the requirements of the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites), which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Custodial Trust's assets, liabilities, net assets, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The Black Pine Mine Custodial Trust Expense Tracking and East Helena Clean-Up Account 2015/2016 Construction Budget supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Montana Environmental Trust Group LLC.

Wipfli LLP

Wipfli LLP
December 19, 2016
Helena, MT

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2016

ASSETS

Current assets

Cash, First Interstate Bank	\$ 69,878.56
Due from other cost centers	14,011.81
Total current assets	<u>83,890.37</u>

Investments, Pershing Advisory Solutions

6,278,919.45

Total assets

\$ 6,362,809.82

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 40,935.39
Due to other cost centers	-
	<u>40,935.39</u>

Net assets

6,321,874.43

Total net assets and liabilities

\$ 6,362,809.82

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Investment income, net of fees	\$ 19,750.08	\$ 84,423.38			
Unrealized gains (losses)	(9,854.19)	32,234.30			
Sale of Assets	80,881.38	89,881.38			
Total revenues (losses)	90,777.27	206,539.06			
Expenses:					
1.A Financial Affairs					
1.A.1 Outside Financial Services	7,822.92	20,422.22	\$ 36,000.00	\$ (15,577.78)	56.73%
1.C Property Taxes					
1.C.1 East Helena	-	45,106.85	166,300.00	(121,193.15)	27.12%
1.C.2 UBMC-Mike Horse	-	1,687.39	3,500.00	(1,812.61)	48.21%
1.C.3 Black Pine	-	2,210.22	7,300.00	(5,089.78)	30.28%
1.C.4 Iron Mountain	-	133.12	400.00	(266.88)	33.28%
1.C Property Taxes Total	-	49,137.58	177,500.00	(128,362.42)	27.68%
1.F Site Security					
1.F.1 East Helena	13,553.16	24,079.16	52,900.00	(28,820.84)	45.52%
1.F.2 UBMC-Mike Horse	59.25	25,305.25	53,600.00	(28,294.75)	47.21%
1.F.3 Black Pine	5,128.32	15,007.78	21,000.00	(5,992.22)	71.47%
1.F.4 Iron Mountain	-	-	1,400.00	(1,400.00)	0.00%
1.F Site Security Total	18,740.73	64,392.19	128,900.00	(64,507.81)	49.96%
1.G Insurance					
1.G.1 Commercial General Liability	-	47,265.00	54,600.00	(7,335.00)	86.57%
1.G.2 Vehicle-Equipment Insurance	7,116.00	8,674.00	9,900.00	(1,226.00)	87.62%
1.G.3 Property Insurance	(7,570.64)	15,885.61	25,900.00	(10,014.39)	61.33%
1.G Insurance Total	(454.64)	71,824.61	90,400.00	(18,575.39)	79.45%

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
1.H Trust Legal Affairs					
1.H.1 Outside Council	97.50	207.50	3,500.00	(3,292.50)	5.93%
1.H.2 Records Segregation Costs	-	-	1,400.00	(1,400.00)	0.00%
1.H.3 GETG Professional Fees	1,999.00	3,877.25	4,900.00	(1,022.75)	79.13%
1.H.4 Water Rights	703.00	1,348.00	3,200.00	(1,852.00)	42.13%
1.H Trust Legal Affairs Total	<u>2,799.50</u>	<u>5,432.75</u>	<u>13,000.00</u>	<u>(7,567.25)</u>	<u>41.79%</u>
1.I Unpatented Mining Claim Maint.					
1.I.1 Fees for Unpatented Mining Claims	52,307.59	52,307.59	54,900.00	(2,592.41)	95.28%
1.K Property Sales					
1.K.1 East Helena	3,753.00	38,629.91	40,900.00	(2,270.09)	94.45%
1.K.4 Iron Mountain	-	-	4,800.00	(4,800.00)	0.00%
1.K Property Sales Total	<u>3,753.00</u>	<u>38,629.91</u>	<u>45,700.00</u>	<u>(7,070.09)</u>	<u>84.53%</u>
1.L Trustee Costs					
1.L.1 Trustee Fees	5,667.00	20,146.75	34,100.00	(13,953.25)	59.08%
1.L.2 Trustee Expenses	50.00	187.43	2,500.00	(2,312.57)	7.50%
1.L Trustee Costs Total	<u>5,717.00</u>	<u>20,334.18</u>	<u>36,600.00</u>	<u>(16,265.82)</u>	<u>55.56%</u>
Total expenses	<u>90,686.10</u>	<u>322,481.03</u>	<u>583,000.00</u>	<u>\$ (260,518.97)</u>	<u>55.31%</u>
Change in net assets	91.17	(115,941.97)	<u>\$ (583,000.00)</u>		
Net assets, beginning of period	6,321,783.26	6,437,816.40			
Net assets, end of period	<u>\$ 6,321,874.43</u>	<u>\$ 6,321,874.43</u>			

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2016

ASSETS

Current assets

Cash, First Interstate Bank	\$ 565,299.51
Accounts receivable	6,415.23
Due from other cost centers	-
Total current assets	<u>571,714.74</u>

Investments, Pershing Advisory Solutions

Total assets	<u>55,429,186.03</u> <u><u>\$ 56,000,900.77</u></u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,685,247.12
Retention hold-back payable	728,506.49
Due to other cost centers	1,182.12
Total current liabilities	<u>3,414,935.73</u>

Net assets

Total net assets and liabilities	<u>52,585,965.04</u> <u><u>\$ 56,000,900.77</u></u>
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Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget*	Variance	Percentage of Budget
Revenues:					
Income					
Agricultural Tenants	\$ -	\$ -			
Sale of Assets	-	6,750.00			
Slag Pile	-	88,815.00			
Income Total	-	95,565.00			
Investment activity, net of fees	743,580.73	1,152,894.74			
Unrealized gains (losses)	(354,483.03)	400,830.49			
Total revenues (losses)	389,097.70	1,649,290.23			
Expenses:					
2.A · Water Treatment Plant					
2.A.1 · WTP O&M	8,741.53	39,448.42	\$ 166,300.00	\$ (126,851.58)	23.72%
Total 2.A · Water Treatment Plant	8,741.53	39,448.42	166,300.00	(126,851.58)	23.72%
2.B · General Site Operations					
2.B.1 · Operations & Maintenance	11,154.18	66,301.15	134,500.00	(68,198.85)	49.29%
2.B.2 · Office Operations	170.00	1,954.66	13,000.00	(11,045.34)	15.04%
2.B.3 · Safety	381.12	2,121.10	33,900.00	(31,778.90)	6.26%
2.B.6 · Emergency Response	-	-	20,000.00	(20,000.00)	0.00%
2.B.7 · Site Office	825.00	6,217.50	9,500.00	(3,282.50)	65.45%
Total 2.B · General Site Operations	12,530.30	76,594.41	210,900.00	(134,305.59)	36.32%
2.C · Waste Disposal					
2.C.1 · HDS	-	-	1,000.00	(1,000.00)	0.00%
2.C.2 · Contaminated Debris	-	-	6,000.00	(6,000.00)	0.00%
2.C.3 · Other	279.40	1,037.80	6,300.00	(5,262.20)	16.47%
Total 2.C · Waste Disposal	279.40	1,037.80	13,300.00	(12,262.20)	7.80%
2.D · Slag Pile Reprocessing	-	-	11,800.00	(11,800.00)	0.00%

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.E · Tenants					
2.E.4 · Other	-	-	5,700.00	(5,700.00)	0.00%
Total 2.E · Tenants	-	-	5,700.00	(5,700.00)	0.00%
2.F · RCRA Compliance					
2.F.1 · Reporting	-	-	2,000.00	(2,000.00)	0.00%
2.F.2 · Inspections	144.38	924.13	2,000.00	(1,075.87)	46.21%
2.F.5 · CAMU O&M	8,485.63	15,057.13	38,400.00	(23,342.87)	39.21%
2.F.7 · CAMU Leachate Treatment System	-	-	34,000.00	(34,000.00)	0.00%
Total 2.F · RCRA Compliance	8,630.01	15,981.26	76,400.00	(60,418.74)	20.92%
2.I · Risk Assessment					
2.I.1 · HHRA	-	-	25,000.00	(25,000.00)	0.00%
2.I.2 · BERA	-	-	25,000.00	(25,000.00)	0.00%
Total 2.I · Risk Assessment	-	-	50,000.00	(50,000.00)	0.00%
2.J · RCRA Corrective Action Implementation					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	-	-	29,000.00	(29,000.00)	0.00%
2.J.1b · SPHC IM Construction	-	-	15,000.00	(15,000.00)	0.00%
2.J.1c · SPHC IM O & M	-	-	50,000.00	(50,000.00)	0.00%
2.J.1 · SPHC IM Design & Construction	-	-	94,000.00	(94,000.00)	0.00%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	-	-	26,750.00	(26,750.00)	0.00%
2.J.2b · ET Cover IM Construction	-	-	-	-	0.00%
2.J.2c · ET Cover System O & M	-	-	-	-	0.00%
2.J.2 · ET Cover IM Design & Construction	-	-	26,750.00	(26,750.00)	0.00%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	-	-	50,000.00	(50,000.00)	0.00%
2.J.3b · Source Removal Construction	-	-	-	-	0.00%
2.J.2c · Source Removal O & M	-	-	-	-	0.00%
2.J.3 · Source Removal Design & Construction	-	-	50,000.00	(50,000.00)	0.00%

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.J.4 · IM/RCRA Support					
2.J.4a · IM Work Plan(s)	-	9,925.72	31,500.00	(21,574.28)	31.51%
2.J.4b · Corrective Measures Study	110,084.81	391,206.58	1,339,700.00	(948,493.42)	29.20%
2.J.4d · Controlled Groundwater Area	549.00	69,548.05	628,000.00	(558,451.95)	11.07%
2.J.4g · Long-term Planning	315.42	2,866.53	21,000.00	(18,133.47)	13.65%
2.J.4h · Phase II RFI/Soil Characterization	9,024.20	74,088.59	172,300.00	(98,211.41)	43.00%
2.J.4j · Efforts to Avoid MBTA Non-Compliance	-	-	40,000.00	(40,000.00)	0.00%
2.J.4 · IM/RCRA Support	119,973.43	547,635.47	2,232,500.00	(1,684,864.53)	24.53%
2.J.5 · Design Management/Execution					
2.J.5a · Management/IM Development	48,822.26	176,821.10	340,000.00	(163,178.90)	52.01%
2.J.5b · Schedule	730.32	2,725.41	41,700.00	(38,974.59)	6.54%
2.J.5c · Financial Affairs and Reporting	5,618.68	20,197.63	57,800.00	(37,602.37)	34.94%
2.J.5d · Sub-contracting	-	2,353.43	21,600.00	(19,246.57)	10.90%
2.J.5f · Direct Expenses	3,225.29	8,843.05	26,000.00	(17,156.95)	34.01%
2.J.5h · Project Insurance Premium	-	88,538.64	89,000.00	(461.36)	99.48%
2.J.5j · IM Operations and Support	7,950.51	42,725.00	93,100.00	(50,375.00)	45.89%
2.J.5 · Design Management/Execution	66,347.06	342,204.26	669,200.00	(326,995.74)	51.14%
Total 2.J · RCRA Corrective Action Implementation	186,320.49	889,839.73	3,072,450.00	(2,182,610.27)	28.96%
2.K · Documents & Records					
2.K.1 · System Set-Up	-	-	21,300.00	(21,300.00)	0.00%
2.K.2 · System Maintenance	1,337.50	2,817.27	18,000.00	(15,182.73)	15.65%
Total 2.K · Documents & Records	1,337.50	2,817.27	39,300.00	(36,482.73)	7.17%
2.M · CERCLA Compliance	4,623.58	125,235.44	232,600.00	(107,364.56)	53.84%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	6,493.74	20,053.69	45,000.00	(24,946.31)	44.56%
Total 2.N · Financial Affairs	6,493.74	20,053.69	45,000.00	(24,946.31)	44.56%
2.O · Redevelopment					
2.O.1 · Redevelopment Plans & Studies	-	-	5,000.00	(5,000.00)	0.00%
2.O.2 · Redevelopment Support	-	-	5,000.00	(5,000.00)	0.00%
2.O.3 · Redevelopment Issues	-	-	5,000.00	(5,000.00)	0.00%
Total 2.O · Redevelopment	-	-	15,000.00	(15,000.00)	0.00%

See Accountant's Compilation Report

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget*	Variance	Percentage of Budget
2.P · Community Relations					
2.P.1 · General Meetings	-	-	3,000.00	(3,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	-	1,477.31	3,000.00	(1,522.69)	49.24%
2.P.3 · East Helena Website	2,590.00	5,704.50	7,500.00	(1,795.50)	76.06%
2.P.5 · Other Community Relations	7,000.00	7,000.00	35,000.00	(28,000.00)	20.00%
Total 2.P · Community Relations	9,590.00	14,181.81	48,500.00	(34,318.19)	29.24%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	475.00	2,608.50	30,000.00	(27,391.50)	8.70%
2.R.2 · In-House Legal Services	10,884.00	31,436.00	82,100.00	(50,664.00)	38.29%
Total 2.R · Legal Support Total	11,359.00	34,044.50	112,100.00	(78,055.50)	30.37%
2.T · Trustee Management & Support					
2.T.4 · GW and PPC Project Management	12,414.11	41,193.31	81,900.00	(40,706.69)	50.30%
2.T.6 · Compliance Manager	2,296.25	11,173.23	56,100.00	(44,926.77)	19.92%
2.T.7 · Operations Manager	17,004.75	74,832.75	98,600.00	(23,767.25)	75.90%
2.T.8 · Operations Support Specialist	4,321.25	11,941.25	36,000.00	(24,058.75)	33.17%
2.T.9 · Project Controls/Fin Affairs Coordinator	13,653.00	42,157.25	153,900.00	(111,742.75)	27.39%
2.T.11 · Trustee Mgmt. EH Clean Up	31,125.25	112,152.25	379,400.00	(267,247.75)	29.56%
2.T.12 · Trustee Land Use & Re-use	5,487.00	9,381.00	49,100.00	(39,719.00)	19.11%
2.T.13 · Trustee Travel and Directs	-	6,420.24	35,000.00	(28,579.76)	18.34%
Total 2.T · Trustee Management & Support Total	86,301.61	309,251.28	890,000.00	(580,748.72)	34.75%
Total 2016 East Helena expenses	336,207.16	1,528,485.61	\$ 4,989,350.00	\$ (3,460,864.39)	30.63%
2015/2016 East Helena Construction expenses*	2,374,151.96	8,252,141.48			
Change in net assets	(2,321,261.42)	(8,131,336.86)			
Net assets, beginning of period	54,907,226.46	60,717,301.90 ⁽¹⁾			
Net assets, end of period	\$ 52,585,965.04	\$ 52,585,965.04			

*2015/2016 (two-year) approved budget; see detail on page 10

Montana Environmental Custodial Trust
Summary East Helena Clean-up Account

SUMMARY STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Rental/Lease Income	\$ -	\$ 95,565.00			
Investment activity, net of fees	743,580.73	1,152,894.74			
Unrealized gains (losses)	(354,483.03)	400,830.49			
Total revenues (losses)	<u>389,097.70</u>	<u>1,649,290.23</u>			
Expenses:					
2.A · Water Treatment Plant	8,741.53	39,448.42	\$ 166,300.00	\$ (126,851.58)	23.72%
2.B · General Site Operations	12,530.30	76,594.41	210,900.00	(134,305.59)	36.32%
2.C · Waste Disposal	279.40	1,037.80	13,300.00	(12,262.20)	7.80%
2.D · Slag Pile Reprocessing	-	-	11,800.00	(11,800.00)	0.00%
2.E · Tenants	-	-	5,700.00	(5,700.00)	0.00%
2.F · RCRA Compliance	8,630.01	15,981.26	76,400.00	(60,418.74)	20.92%
2.I · Risk Assessment	-	-	50,000.00	(50,000.00)	0.00%
2.J · RCRA Corrective Action Implementation	186,320.49	889,839.73	3,072,450.00	(2,182,610.27)	28.96%
2.K · Documents & Records	1,337.50	2,817.27	39,300.00	(36,482.73)	7.17%
2.M · CERCLA Compliance	4,623.58	125,235.44	232,600.00	(107,364.56)	53.84%
2.N · Financial Affairs	6,493.74	20,053.69	45,000.00	(24,946.31)	44.56%
2.O · Redevelopment	-	-	15,000.00	(15,000.00)	0.00%
2.P · Community Relations	9,590.00	14,181.81	48,500.00	(34,318.19)	29.24%
2.R · Legal Support	11,359.00	34,044.50	112,100.00	(78,055.50)	30.37%
2.T · Trustee Management & Staff	86,301.61	309,251.28	890,000.00	(580,748.72)	34.75%
Total 2016 East Helena expenses	<u>336,207.16</u>	<u>1,528,485.61</u>	<u>\$ 4,989,350.00</u>	<u>\$ (3,460,864.39)</u>	<u>30.63%</u>
2015/2016 East Helena Construction expenses*	2,374,151.96	8,252,141.48			
Change in net assets	<u>(2,321,261.42)</u>	<u>(8,131,336.86)</u>			
Net assets, beginning of period	54,907,226.46	60,717,301.90 ⁽¹⁾			
Net assets, end of period	<u>\$ 52,585,965.04</u>	<u>\$ 52,585,965.04</u>			

*2015/2016 (two-year) approved budget; see detail on page 10

See Accountant's Compilation Report

Montana Environmental Custodial Trust
East Helena Clean-up Account
2015/2016 Construction Budget

STATEMENTS OF ACTIVITIES

For the quarter and 21 month period ending September 30, 2016

	3rd QTR 2016	January 1, 2015 - September 30, 2016 YTD	Approved Budget	Variance	Percentage of Budget
2015/2016 Construction Expenses:					
2.F · RCRA Compliance					
2.F.7 · CAMU Leachate Treatment System	\$ -	\$ -	\$ -	\$ -	0.00%
Total 2.F · RCRA Compliance	-	-	-	-	0.00%
2.J · RCRA Corrective Action Implementation					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1b · SPHC IM Construction	1,237,398.87	8,281,892.46	12,135,000.00	(3,853,107.54)	68.25%
2.J.1 · SPHC IM Design & Construction	1,237,398.87	8,281,892.46	12,135,000.00	(3,853,107.54)	68.25%
2.J.2 · ET Cover System IM					
2.J.2b · ET Cover IM Construction	1,018,288.95	7,211,994.80	8,000,000.00	(788,005.20)	90.15%
2.J.2 · ET Cover IM Design & Construction	1,018,288.95	7,211,994.80	8,000,000.00	(788,005.20)	90.15%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	-	23,895.65	50,000.00	(26,104.35)	47.79%
2.J.3b · Source Removal Construction	118,464.14	889,793.57	900,000.00	(10,206.43)	98.87%
2.J.3 · Source Removal Design & Construction	118,464.14	913,689.22	950,000.00	(36,310.78)	96.18%
2015/2016 East Helena Construction Expenses	<u>\$ 2,374,151.96</u>	<u>\$ 16,407,576.48</u>	<u>\$ 21,085,000.00</u>	<u>\$ (4,677,423.52)</u>	<u>77.82%</u>

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2016

ASSETS

Current assets

Cash, First Interstate Bank	\$ 47,532.61
Prepaid expenses - DEQ	30,221.67
Due from other cost centers	-
Total current assets	<u>77,754.28</u>

Investments, Pershing Advisory Solutions

5,339,800.53

Total assets

\$ 5,417,554.81

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 84,159.60
Due to other cost centers	12,829.69
Total current liabilities	<u>96,989.29</u>

Net assets

5,320,565.52

Total net assets and liabilities

\$ 5,417,554.81

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 26.07	\$ 81.51			
Investment income, net of fees	14,944.10	67,407.73			
Unrealized gains (losses)	(6,903.63)	32,372.20			
Total revenues (losses)	8,066.54	99,861.44			
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	3,253.73	13,133.74	\$ 27,469.00	\$ (14,335.26)	47.81%
4.DEQ Direct & Indirect Expenses	745.11	3,102.45	7,676.00	(4,573.55)	40.42%
4.1 Total MT DEQ Expenses	3,998.84	16,236.19	35,145.00	(18,908.81)	46.20%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	11,569.46	56,892.25	74,500.00	(17,607.75)	76.37%
WTP Supplies	6,494.39	36,745.66	46,100.00	(9,354.34)	79.71%
4.B Material, Supplies & Chemicals	18,063.85	93,637.91	120,600.00	(26,962.09)	77.64%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	14,931.00	44,694.25	72,500.00	(27,805.75)	61.65%
1-62102-02 GETG Trustee Oversight	3,199.00	13,850.75	20,000.00	(6,149.25)	69.25%
1-62102-22 WTP Technician/Operator	22,482.25	86,585.14	140,000.00	(53,414.86)	61.85%
1-62102-42 Hydrometrics Water Balance Study	-	1,240.89	2,000.00	(759.11)	62.04%
4.C Operating Labor	40,612.25	146,371.03	234,500.00	(88,128.97)	62.42%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	-	2,120.50	13,250.00	(11,129.50)	16.00%
1-62102-41 Storm Water Regulatory Compliance	-	-	1,500.00	(1,500.00)	0.00%
1-62102-204 Health & Safety Compliance	-	-	2,000.00	(2,000.00)	0.00%
1-62891 Handyman Charges	336.00	336.00	7,500.00	(7,164.00)	4.48%
1-62102-51 Wipfli Accounting	1,862.00	3,910.20	5,000.00	(1,089.80)	78.20%
1-62243 Weed Control	-	-	1,200.00	(1,200.00)	0.00%
4.D Other Professional Services/Labor	2,198.00	6,366.70	30,450.00	(24,083.30)	20.91%

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	2,768.50	10,649.50	11,000.00	(350.50)	96.81%
1-62106-02 Linda Tangen Data Validation (O&M)	854.55	1,705.42	3,500.00	(1,794.58)	48.73%
1-62106-03 Energy Lab Testing (Repositories)	-	-	2,500.00	(2,500.00)	0.00%
4.E WTP Operations - Analytical	3,623.05	12,354.92	17,000.00	(4,645.08)	72.68%
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	552.00	5,434.64	10,900.00	(5,465.36)	49.86%
1-62371 Telephone	935.32	2,951.96	6,200.00	(3,248.04)	47.61%
1-62601 Electricity	11,998.22	39,165.78	51,800.00	(12,634.22)	75.61%
1-62605 Water & Sewage	400.00	800.00	2,500.00	(1,700.00)	32.00%
1-62606 Garbage & Trash	430.30	1,090.90	1,800.00	(709.10)	60.61%
1-62607 Propane	4,217.72	4,217.72	16,300.00	(12,082.28)	25.88%
4.F WTP Operations - Utilities	18,533.56	53,661.00	89,500.00	(35,839.00)	59.96%
4.H Projects & Construction					
1-62102-01 Unforeseen Breakdowns and Repair Response Funds	-	16,780.00	20,000.00	(3,220.00)	83.90%
1-62102-52 UBMC Cell 7 Feasibility Study	1,595.00	9,595.00	10,000.00	(405.00)	95.95%
1-63113-03 Spare Parts	-	50,513.53	83,000.00	(32,486.47)	60.86%
1-63113-20 Finalize O&M Manual	-	-	-	-	0.00%
1-63113-31 Replace Bearings, Mechanical Seals & Laser Align CMF & CIP Pumps	-	2,002.18	5,700.00	(3,697.82)	35.13%
1-63113-32 Purchase replacement non-metallic Goulds CIP Pump	-	18,321.00	18,600.00	(279.00)	98.50%
1-63113-37 Upper Seep Expansion (Remediation Construction Cost Reimbursement)	-	-	-	-	0.00%
1-63113-38 Pretreatment Pond/Redundant Conveyance line Costs to Support CECRA Remediation	-	-	150,000.00	(150,000.00)	0.00%
1-63113-39 Cell 4 Reconstruction to Support MDEQ Construction	-	-	-	-	0.00%
1-63113-40 Remediation prep tasks	4,910.35	22,264.01	24,800.00	(2,535.99)	89.77%
1-63113-40 Trust Support for Remediation Activities	40,808.49	40,808.49	70,356.00	(29,547.51)	58.00%
1-62102-233 Building Repairs (Corrosion Damage)	-	-	-	-	0.00%
1-62102-44 Hydrometrics - Remediation Oversight (Upper Seep Expansion)	-	-	-	-	0.00%
1-62102-46 Hydrometrics - Remediation Oversight (MH Repository Removal)	-	-	-	-	0.00%

See Accountant's Compilation Report

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
1-62102-45 Hydrometrics - Install Monitoring Well @ Carbonate Repository	-	-	-	-	0.00%
1-62102-47 Hydrometrics - Repair Two Monitoring Wells @ Carbonate Repository	868.38	868.38	1,000.00	(131.62)	86.84%
1-63113-304 - Mike Horse Remediation Support	4,977.00	9,361.50	9,480.00	(118.50)	98.75%
1-63113-43 - Fabricate Bucket Decon Area for 924 Loader	-	7,252.60	7,500.00	(247.40)	96.70%
1-63113-46 - Install PLC Remote I/O and Ether Net Cable in Reagent Control Cabinet	-	-	-	-	0.00%
1-63113-47 - Purchase Replacement 17.5X25 Tires for 924 Loader	-	-	4,200.00	(4,200.00)	0.00%
4.H Projects & Construction	53,159.22	177,766.69	404,636.00	(226,869.31)	43.93%
4.2 Total Other Expenses	136,189.93	490,158.25	896,686.00	(406,527.75)	54.66%
Total expenses	140,188.77	506,394.44	931,831.00	(425,436.56)	54.34%
Change in net assets	(132,122.23)	(406,533.00)	<u>\$ (931,831.00)</u>	<u>\$ 425,436.56</u>	<u>43.63%</u>
Net assets, beginning of period	5,452,687.75	5,727,098.52			
Net assets, end of period	<u>\$ 5,320,565.52</u>	<u>\$ 5,320,565.52</u>			

(1) 2015 net assets restated by \$975.00 for expenses incurred in 2015 but not received and recorded until after distribution of 4th quarter 2015 financial statements

Montana Environmental Custodial Trust

Black Pine Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2016

ASSETS

Current assets

Cash, First Interstate Bank	\$ 14,209.82
Money Market	75,854.83
Prepaid expenses - DEQ	<u>2,756,775.21</u>
Total current assets	2,846,839.86

Investments, Pershing Advisory Solutions

11,736,315.87
<u><u>\$ 14,583,155.73</u></u>

Total assets

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,406.76
Due to other cost centers	<u>-</u>
Total current liabilities	2,406.76

Net assets

14,580,748.97
<u><u>\$ 14,583,155.73</u></u>

Total net assets and liabilities

Montana Environmental Custodial Trust
Black Pine Clean-up Account
STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2016

	3rd QTR	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 1,256.49	\$ 4,664.48			
Interest Income - MM	19.12	64.23			
Investment income, net of fees	46,814.01	233,766.73			
Unrealized gains (losses)	(28,648.01)	89,331.83			
Total revenues (losses)	<u>19,441.61</u>	<u>327,827.27</u>			
Expenses:					
5.1 Costs Paid Directly by Trustee from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox	19.75	59.25	\$ 1,000.00	\$ (940.75)	5.93%
2-2-02 Trustee Services/Expenses-GETG	340.25	1,879.25	5,000.00	(3,120.75)	37.59%
2-2-03 Mine Maintenance/Security	4,557.00	12,369.00	16,926.00	(4,557.00)	73.08%
2-2-04 Generator Maintenance	-	-	4,000.00	(4,000.00)	0.00%
2-2-51 Accounting Services	279.30	931.00	5,000.00	(4,069.00)	18.62%
2-62401 Mileage	571.32	1,555.77	2,350.60	(794.83)	66.19%
2-62405 Snowmobile	-	757.50	907.50	(150.00)	83.47%
5.1.1 Utilities					
2-62601 Electricity	1,382.63	5,237.16	6,500.00	(1,262.84)	80.57%
2-62607 Propane	-	-	2,840.00	(2,840.00)	0.00%
5.1.1.1 Utilities Total	<u>1,382.63</u>	<u>5,237.16</u>	<u>9,340.00</u>	<u>(4,102.84)</u>	<u>56.07%</u>
5.1 Trustee Costs Total	<u>7,150.25</u>	<u>22,788.93</u>	<u>44,524.10</u>	<u>(21,735.17)</u>	<u>51.18%</u>
5.2 DEQ Costs	<u>1,005,489.80</u>	<u>1,455,189.09</u>	<u>6,828,248.89</u>	<u>(5,373,059.80)</u>	<u>21.31%</u>
Total expenses	<u>1,012,640.05</u>	<u>1,477,978.02</u>	<u>6,872,772.99</u>	<u>(5,394,794.97)</u>	<u>21.50%</u>
Change in net assets	<u>(993,198.44)</u>	<u>(1,150,150.75)</u>	<u>\$ (6,872,772.99)</u>	<u>\$ 5,394,794.97</u>	<u>16.73%</u>
Net assets, beginning of period	<u>15,573,947.41</u>	<u>15,730,899.72</u>			
Net assets, end of period	<u>\$ 14,580,748.97</u>	<u>\$ 14,580,748.97</u>			

(1) See the supplemental schedule provided by the Montana Department of Environmental Quality for details of 5.2 DEQ Costs

Prepared by MDEQ.

Black Pine Mine Custodial Trust Expense Tracking

	Personnel	Fringe	Travel	Equipment	Supplies	Contractual	Construction	Other	Total Direct	Indirect	Totals
Budget Request 2016	\$ 92,041.00	\$ 27,613.00	\$ 13,850.00	\$ 5,000.00		\$ 626,500.00	\$ 6,003,000.00	\$ 5,925.00	\$ 6,773,929.00	\$ 54,320.00	\$ 6,828,249.00
Jan-Mar 2016	\$ 15,933.61	\$ 5,535.01	\$ 2,792.03	\$ -	\$ -	\$ 72,412.25	\$ 33,414.00	\$ 1,689.03	\$ 131,775.93	\$ 8,863.97	\$ 140,639.90
Additional funding received March 2016											
Apr-Jun 2016	\$ 16,259.63	\$ 5,830.70	\$ 903.48	\$ -	\$ -	\$ 57,101.83	\$ 197,379.96	\$ 16,706.49	\$ 294,182.09	\$ 14,877.30	\$ 309,059.39
Additional funding received September 2016											
July-Sep 2016	\$ 15,323.94	\$ 5,354.97	\$ 319.00	\$ -	\$ 29.15	\$ 19,422.28	\$ 950,502.40	\$ 2,896.03	\$ 993,847.77	\$ 11,642.03	\$ 1,005,489.80
Oct-Dec 2016									\$ -		\$ -
Expenses 2016	\$ 47,517.18	\$ 16,720.68	\$ 4,014.51	\$ -	\$ 29.15	\$ 148,936.36	\$ 1,181,296.36	\$ 21,291.55	\$ 1,419,805.79	\$ 35,383.30	\$ 1,455,189.09
2016 Budget request balance	\$ 44,523.82	\$ 10,892.32	\$ 9,835.49	\$ 5,000.00	\$ (29.15)	\$ 477,563.64	\$ 4,821,703.64	\$ (15,366.55)	\$ 5,354,123.21	\$ 18,936.70	\$ 5,373,059.91

Montana Environmental Custodial Trust
Iron Mountain Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2016

ASSETS	
Current assets	
Cash	\$ 2,516.52
Prepaid expenses - DEQ	1,752,143.71
Total current assets	<u>1,754,660.23</u>
Investments, Pershing Advisory Solutions	262,412.42
Total assets	<u><u>\$ 2,017,072.65</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	\$ 1,498.00
Net assets	2,015,574.65
Total net assets and liabilities	<u><u>\$ 2,017,072.65</u></u>

Montana Environmental Custodial Trust
Iron Mountain Clean-up Account

STATEMENTS OF ACTIVITIES

For the period ending September 30, 2016

	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:				
Interest Income - DEQ	\$ 2,391.95			
Investment income, net of fees	22,499.14			
Unrealized gains (losses)	4,851.97			
Total revenues (losses)	29,743.06			
Expenses:				
VI.A Clean-up Activities				
VI.A.1 GETG Trustee Fees	2,926.75	\$ 7,602.00	\$ (4,675.25)	38.50%
VI.A.2 GETG/Trustee Expenses	-	250.00	(250.00)	0.00%
VI.A Total Clean-up Activities	2,926.75	7,852.00	(4,925.25)	37.27%
VI.C Legal Affairs				
VI.C.1 Outside Counsel	-	2,000.00	(2,000.00)	0.00%
VI.C Total Legal Affairs	-	2,000.00	(2,000.00)	0.00%
VI.D Financial Affairs				
VI.D.1 Wipfli Fees & Expenses	-	1,800.00	(1,800.00)	0.00%
VI.D Total Financial Affairs	-	1,800.00	(1,800.00)	0.00%
VI.E MDEQ Environmental Actions and Oversight Costs				
VI.E.1 MDEQ Environmental Actions and Oversight Costs	1,248.24	1,751,000.00	(1,749,751.76)	0.07%
VI.E Total MDEQ Environmental Actions and Oversight Costs	1,248.24	1,751,000.00	(1,749,751.76)	0.07%
Total expenses	4,174.99	1,762,652.00	(1,758,477.01)	0.24%
Change in net assets	25,568.07	\$ (1,762,652.00)	\$ 1,758,477.01	-1.45%
Net assets, beginning of period	1,990,006.58			
Net assets, end of period	\$ 2,015,574.65			